

EXECUTIVE SUMMARY
LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)
APPROPRIATIONS SUPPLEMENTAL ACT

SENATE FILE 65

FY 2001 SUPPLEMENTAL
APPROPRIATIONS TO LOW-INCOME
HOME ENERGY ASSISTANCE
PROGRAM (LIHEAP)

- Appropriates \$2.3 million from the Department of Management's Innovations Fund to the Low-Income Home Energy Assistance Program (LIHEAP) for FY 2001. (Page 1, Line 1)
- Appropriates \$2.4 million from the Iowa Finance Authority's Housing Program Fund to the LIHEAP for FY 2001. (Page 1, Line 15) *This item was vetoed by the Governor.*
- Appropriates \$6.6 million from the Department of Natural Resources' Groundwater Protection Fund to the LIHEAP for FY 2001. (Page 1, Line 30)

CHANGES TO LIHEAP
ALLOCATIONS

- Caps the amount of residential weatherization at \$3.3 million for FY 2001 and reallocates \$1.9 million to the LIHEAP payments for heating assistance. (Page 2, Line 10)
- Caps the amount of funds allowed for administrative purposes at \$2.7 million for FY 2001 and reallocates \$1.0 million to the LIHEAP payments for heating assistance. (Page 2, Line 22)

GOVERNOR'S VETOES

- The Governor vetoed the transfer of \$2.4 million from the Iowa Finance Authority to the LIHEAP. The Governor stated that the Authority programs play an essential role in providing affordable housing to low-income families in Iowa. (Page 1, Line 15)
- The Governor also stated in the veto message that the entire \$6.6 million transferred from the Groundwater Protection Fund was not available. On February 28, 2001, \$4.1 million was transferred from the Fund to the LIHEAP. (Page 1, Line 30)

EFFECTIVE DATE

- This Act is effective upon enactment. (Page 3, Line 24)

ENACTMENT DATE

- This Act was approved by the General Assembly on January 31, 2001, and was item vetoed and signed by the Governor on February 6, 2001.

Senate File 65

Senate File 65 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
2	10	4	Amends	Chapter 1220, Section 11.2, 2000 Iowa Acts	Weatherization Reallocation
2	22	5	Amends	Chapter 1220, Section 11.3, 2000 Iowa Acts	Administration Reallocation
3	5	6	Amends	Chapter 1220, Section 11.6, 2000 Iowa Acts	Assessment Resolution Reallocation
3	15	7	Amends	Chapter 1220, Section 17.2, 2000 Iowa Acts	Allocation of Additional Federal Funds

1 1 Section 1. INNOVATIONS FUND. There is appropriated from
 1 2 the innovations fund created in section 8.63 to the department
 1 3 of human rights for the fiscal year beginning July 1, 2000,
 1 4 and ending June 30, 2001, the following amount from moneys in
 1 5 the fund that are otherwise unencumbered or unobligated on the
 1 6 effective date of this Act, or so much thereof as is
 1 7 necessary, to be used for the purpose designated:
 1 8 For supplementation of the low-income home energy
 1 9 assistance appropriation made in 2000 Iowa Acts, chapter 1220,
 1 10 section 11, to be used to help eligible households meet home
 1 11 energy costs in accordance with 2000 Iowa Acts, chapter 1220,
 1 12 section 11, subsection 4, and none of the following amount
 1 13 shall be used for administrative expenses:
 1 14 \$ 2,343,051

Supplemental appropriation for FY 2001 from the Department of Management's Innovations Fund to the Low-Income Home Energy Assistance Program (LIHEAP).

DETAIL: The Innovations Fund is used by State agencies to finance advanced technology, contract for expert services, and to acquire equipment and supplies.

1 15 [Sec. 2. HOUSING PROGRAM FUND. There is appropriated from
 1 16 the housing program fund created in section 16.40 to the
 1 17 department of human rights for the fiscal year beginning July
 1 18 1, 2000, and ending June 30, 2001, the following amount from
 1 19 moneys in the fund that are otherwise unencumbered or
 1 20 unobligated on the effective date of this Act, or so much
 1 21 thereof as is necessary, to be used for the purpose
 1 22 designated:
 1 23 For supplementation of the low-income home energy
 1 24 assistance appropriation made in 2000 Iowa Acts, chapter 1220,
 1 25 section 11, to be used to help eligible households meet home
 1 26 energy costs in accordance with 2000 Iowa Acts, chapter 1220,
 1 27 section 11, subsection 4, and none of the following amount
 1 28 shall be used for administrative expenses:
 1 29 \$ 2,446,260]

VETOED

Supplemental appropriation for FY 2001 from the Iowa Finance Authority's Housing Program Fund to the LIHEAP.

DETAIL: The Housing Program Fund finances the Down Payment/Closing Cost Grant Program, FirstHome Plus Program, and the Housing Assistance Fund.

VETOED: The Governor vetoed this appropriation, stating that the Authority's programs play an essential role in providing affordable housing to low-income Iowa families.

1 30 Sec. 3. GROUNDWATER PROTECTION FUND. There is
 1 31 appropriated from the groundwater protection fund created in
 1 32 section 455E.11 to the department of human rights for the
 1 33 fiscal year beginning July 1, 2000, and ending June 30, 2001,
 1 34 the following amount from moneys in the fund that are
 1 35 otherwise unencumbered or unobligated on the effective date of

Supplemental appropriation for FY 2001 from the Department of Natural Resources' Groundwater Protection Fund in the Department of Natural Resources to the LIHEAP.

2 1 this Act, or so much thereof as is necessary, to be used for
 2 2 the purpose designated:
 2 3 For supplementation of the low-income home energy
 2 4 assistance appropriation made in 2000 Iowa Acts, chapter 1220,
 2 5 section 11, to be used to help eligible households meet home
 2 6 energy costs in accordance with 2000 Iowa Acts, chapter 1220,
 2 7 section 11, subsection 4, and none of the following amount
 2 8 shall be used for administrative expenses:
 2 9 \$ 6,553,024

2 10 Sec. 4. 2000 Iowa Acts, chapter 1220, section 11,
 2 11 subsection 2, is amended by striking the subsection and
 2 12 inserting in lieu thereof the following:
 2 13 2. Not more than \$3,305,016 of the amounts of federal and
 2 14 state moneys appropriated for purposes of the low-income home
 2 15 energy assistance program for the federal fiscal year
 2 16 beginning October 1, 2000, and ending September 30, 2001, and
 2 17 for the state fiscal year beginning July 1, 2000, and ending
 2 18 June 30, 2001, that are actually received, shall be used for
 2 19 residential weatherization or other related home repairs for
 2 20 low-income households. Of this allocation amount, not more
 2 21 than 10 percent may be used for administrative expenses.

2 22 Sec. 5. 2000 Iowa Acts, chapter 1220, section 11,
 2 23 subsection 3, is amended to read as follows:
 2 24 3. After subtracting the allocation in subsection 2,
 2 25 ~~\$1,695,854, or 10 percent of the remainder of the~~
 2 26 ~~appropriation in this section actually received, whichever is~~
 2 27 ~~less, \$2,663,921~~ is allocated for administrative expenses of
 2 28 the low-income home energy assistance program. Not more than
 2 29 \$290,000 of the amount allocated in this subsection shall be
 2 30 used for administrative expenses of the division. Funding for
 2 31 administrative expenses of any type from the amounts
 2 32 appropriated for the program in this Act and from state
 2 33 funding sources for the state fiscal year beginning July 1,
 2 34 2000, shall be limited to the amounts authorized in this
 2 35 subsection. The costs of auditing the use and administration

DETAIL: The Groundwater Protection Fund finances several environmental programs. The two largest are the Agriculture Management Account and the Solid Waste Account. Both programs provide grants to private and governmental entities.

The Governor stated in his veto message that only \$4,127,270 of the \$6,553,024 transferred in this Section was available in the Groundwater Protection Fund. On February 28, 2001, \$4,054,279 was transferred to the LIHEAP. The transferred amount included \$3,377,888 from the Landfill Alternatives Grant Program.

CODE: Caps the amount of funds that may be used for the purpose of residential weatherization assistance at \$3,305,016, reallocating funds in the amount \$1,865,771 to the LIHEAP for heating assistance payments.

DETAIL: Residential weatherization provides advanced energy audits, diagnostic equipment, and energy-saving education measures to make homes more energy efficient, thereby, reducing fuel bills.

CODE: Caps the amount of funds that may be used for the purpose of administration at \$2,663,921, reallocating funds in the amount of \$1,049,314 to the LIHEAP heating assistance payments.

DETAIL: The Division of Community Action Agencies within the Department of Human Rights receives \$290,000 of the \$2,663,921 allocated for administrative purposes. The remaining \$2,373,921 is received by the 18 Community Action Agencies (CAAs) for administration at the local level.

3 1 of the portion of the appropriation in this section that is
3 2 retained by the state shall be paid from the amount allocated
3 3 in this subsection to the division. The auditor of state
3 4 shall bill the division for the audit costs.

3 5 Sec. 6. 2000 Iowa Acts, chapter 1220, section 11,
3 6 subsection 6, is amended to read as follows:
3 7 6. Expenditures for assessment and resolution of energy
3 8 problems shall be limited to ~~5 percent of the amount~~
3 9 ~~appropriated in this section~~ \$715,000 from the amounts
3 10 appropriated in this Act and any other Act providing funding
3 11 for purposes of the low-income home energy assistance program
3 12 for all or a portion of the federal fiscal year beginning
3 13 October 1, 2000, and ending September 30, 2001, that is
3 14 actually received.

3 15 Sec. 7. 2000 Iowa Acts, chapter 1220, section 17,
3 16 subsection 2, is amended to read as follows:
3 17 2. If actual funds received from the federal government
3 18 from block grants exceed the amount appropriated in section 11
3 19 of this Act for the low-income home energy assistance program,
3 20 ~~45 100~~ percent of the excess shall be allocated to ~~the low-~~
3 21 ~~income residential weatherization program~~ help eligible
3 22 households meet home energy costs in accordance with section
3 23 11, subsection 4.

3 24 Sec. 8. EFFECTIVE DATE. This Act, being deemed of
3 25 immediate importance, takes effect upon enactment.

3 26 SF 65

3 27 jp/cc/26

CODE: Caps the amount of funds that may be used for the purpose of assessment and resolution of energy problems at \$715,000.

DETAIL: Assessment and resolution activities include conservation education, outside referrals, needs assessment, budget counseling, and vendor negotiations, including reconnecting service, preventing disconnection, and setting up payment plans.

CODE: Requires that all additional federal funds for federal FY 2001 must be allocated to the LIHEAP payments for heating assistance for eligible low-income recipients.

Provides that the Act is effective upon enactment.